



Petroleum Transportation & Storage Association

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INTRODUCTION

The Petroleum Transportation and Storage Association (PTSA) is a national trade association representing small business petroleum marketers engaged in the shipment, storage and sale of petroleum products throughout the country. Petroleum marketing businesses are overwhelmingly multi-generational family operated wholesale and retail distributorships serving largely suburban and rural markets. The size of PTSA member companies range from the sole proprietor who operates a single cargo tank truck making deliveries to farms and municipalities to larger distributorships that operate as many as 15 cargo tank vehicles in flammable and combustible service

PTSA members market an array of petroleum products including gasoline, diesel fuels, kerosene, jet fuel, aviation gasoline, racing fuel, lubricating oils, propane and home heating oil on both the wholesale and retail level. Typically, PTSA members act as their own shipper, transporting petroleum products in DOT specification cargo tank motor vehicles from a terminal facility to either company owned intermediate bulk storage tanks or directly to retail or commercial customers. Customers include commercial fleet accounts, municipalities, farmers, gasoline stations/convenience stores, airports, homeowners and marinas. Since nearly all petroleum products require a hazardous material placard, most PTSA members are required to register annually with RSPA as hazardous material shippers.

Joining PTSA in these comments are the following state petroleum marketing associations: The Georgia Oilmen's Association, The Alabama Petroleum and Convenience Marketers Association, The Texas Petroleum Marketers and Convenience Store Association, the West Virginia Oil Marketers and Grocers Association, The Kentucky Petroleum Marketers Association and the Colorado/Wyoming Petroleum Marketers Association.

COMMENTS

PTSA appreciates the opportunity to provide comments on the HM-213B, "*Safety Requirements for External Product Piping on Cargo Tanks Transporting Flammable Liquids*". Small business petroleum

Page 2. PTSA COMMENTS HM 213B: Wet Lines

transporters and marketers take very seriously the need to prevent accidents involving shipments of flammable liquids such as gasoline.

Risk Associated with Wet Lines: *PTSA does not believe that product left in wet lines poses a significant safety risk.* While it is true that there are documented accidents where fatalities have occurred due to wet line rupture and ignition, those occurrences remain relatively rare. Fatality rates from wet lines range between 1 and 1.5 deaths every eleven years. The low fatality rate for accidents involving wet line rupture is nothing less than extraordinary given the fact that more than 50,000 cargo tank vehicles in flammable service nationwide deliver approximately 42,000 shipments per day. Wet lines enjoy such a terrific safety record in large part due to shear sections that are designed to separate the wet lines from the tank shell upon impact without rupturing the tank itself and internal stop valves that prevent flammable lading from escaping. Shear sections and internal stop valves are required by RSPA for MC 306 and MC 406 specification tanks in flammable service. This equipment has already accomplished, with much success, RSPA's objective; to significantly reduce fatal accidents and serious injuries due to tank rupture and ignition of flammable lading upon impact. If it is RSPA's intention to eliminate all risk posed by wet lines then further action would be needed. Clearly, total risk elimination is not a practical given the enormous costs that it would impose on small businesses, with little measurable benefits in return.

Separate Loading Lines:- *PTSA does not favor a remedy to reduce risk of wet line ignition by installation of external short lines exclusively for loading flammable product.* New external short lines for loading would be difficult to protect from side impact and would increase the risk of catastrophic failure of the tank shell. Recessing the valves inside the shell of the tank would require expensive upgrades to loading rack equipment and exposes the tank shell to increased risk of damage from loading arm hose couplings. Cutting into an existing cargo tank and welding on a second set of external loading lines would create significantly more risk of fatalities than simply doing nothing. It is truly frightening to contemplate the dangers associated with taking a welding torch to the 42,000 cargo tank vehicles currently in flammable service. It would take only three fatalities to wipe out any benefit such a retrofit would create. A retrofit approach would be far too costly in terms of fatalities and injuries to justify.

Internal Onboard Purge Devices: *PTSA does not favor a remedy to reduce the risk of wet line product ignition by installation of internal onboard purge devices.* Purge devices either operated by compressed air or vapor from product compartments add additional hosing to the outside of the tank shell. The total length of external purge and return hoses (generally from ¼ to ½ inch in diameter) would range from 45 to 70 feet depending on the number of compartments in the cargo tank. These systems reduce the quantity of gasoline left in the wet lines significantly. However, anywhere from ½ to one full gallon of gasoline would be left inside the hoses after purging. The trapped gasoline, while reducing the risk of ignition due to accidental impact, could send vapors back up into an otherwise empty and purged compartment creating a significant risk of explosion, particularly if the vehicle is undergoing maintenance or inspection.

Cost Benefit Analysis: *PTSA does not believe that the benefits derived from reduction of an already low risk, justifies the costs the risk reduction requirements would impose on small business petroleum marketers.* RSPA itself has recognized that the significant costs imposed by removing flammable product from wet lines is more than likely not worth the slight benefit such improvements would bring. RSPA estimates that 0.70 deaths and 0.52 serious injuries occur each year due to the presence of flammable liquids in wet lines. Yet, RSPA acknowledges that "theses assumptions may overstate the risks due to wet lines". PTSA agrees with this assertion. The cost to retrofit an existing cargo tank vehicle with on board purge devices is approximately \$5,000. Installation of a second set of external loading lines would cost approximately \$2,000, conservatively. These are very significant costs to small business petroleum marketers, particularly those than operate more than one cargo tank vehicle. RSPA was correct in calculating the costs imposed by reductions in lading capacity to offset the additional weight of the proposed new equipment requirements. This is a significant cost particularly in an industry where profit margins on gasoline typically range from 0 to 5 cents per gallon. However, RSPA's analysis failed to take into account the cost for time lost due

Page 3. PTSA COMMENTS HM 213B: Wet Lines

retrofitting cargo tanks with either a second set of external loading lines or onboard purge device systems. Both alternatives would require significant “down time” for installation (perhaps up to as much as five or more business days. Typically travel time to and from a maintenance facility in rural areas takes a full day each way). During this period, the small business petroleum marketer must continue to pay drivers and dispatchers who are often salaried employees. Additional vehicles are generally not available to replace out of service equipment leaving drivers with little or nothing productive to do. Commercial customers, such as farmers, school bus operators, delivery services and police departments expect on-demand deliveries. If equipment is out of service, private motor carriers must be hired to take up the delivery slack. If none are available, or cannot commit to an on-demand delivery schedule customers will simply find another supplier. If the supplier is a single vehicle owner, of which there are thousands operating in the rural areas of this country, down time due to equipment retrofit could very well drive him/her out of business altogether.

PTSA believes that RSPA should conduct a more thorough cost/benefit analysis that includes downtime costs and accurately takes into account the size disparity within the industry. Moreover, RSPA should collect more accurate and up to date accident information so as to determine the exact nature of the risk posed by wet lines. With the greater communication between local, state and federal transportation authorities as a result of the 9/11 terrorist tasks, more accurate information on accidents involving wet lines may be much easier to obtain.

CONCLUSION

PTSA believes that any further regulatory action concerning wet lines at this time is not justified. Available data shows that the risk from wet lines is low while the cost to eliminate existing risk is too high given the small benefit that will result. However, RSPA is correct to take a second look at the issue. If a thorough examination of critical data shows there is a significant risk from wet lines that can be reduced at a cost in line with quantifiable benefits, then PTSA would consider supporting further action. The data as it exists today, does not justify any new regulatory requirements pertaining to wet lines. PTSA would be very concerned if RSPA moved forward with new regulatory requirements based on existing data. In any case, PTSA does not favor solutions that would require retrofit of existing cargo tank equipment under any circumstances. The small business sector of the industry cannot bear the extensive cost of such a regulatory mandate, particularly given the array of new security regulations that the U.S. DOT is now requiring. Any future wet line requirement should only apply to newly manufactured equipment and phased in over a period of years as existing equipment is taken out of service. Allowing small businesses to spread out the cost in this way creates a more level playing field between large and small sectors of the industry.

PTSA and its members are ready, willing and able to work with RSPA further on this issue so that a well-reasoned and balanced approach can be reached, if new data indicates a greater risk exists. Cargo tank safety is a paramount issue for petroleum marketers. A solid safety program moves product to market in an efficient and cost effective manner. It makes no business sense to transport a flammable product in equipment that poses an unacceptable risk to the public, the costs are far too high to justify. Thank you for the opportunity to comment on the ANPRM. PTSA looks forward to working with RSPA on this issue

Respectfully submitted,

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